

REPUBLIC OF KENYA



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REPORT

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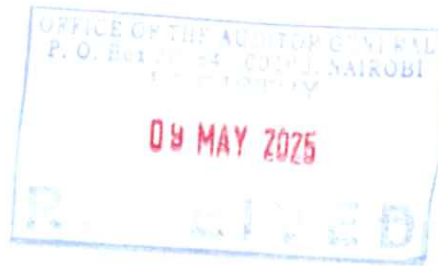
ON

LANG'ATA TECHNICAL AND VOCATIONAL
COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2024

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 JUN 2025	DAY: TUESDAY
TABLED BY:	LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	WILLIS OBIRO

Revised 30th June 2024



LANG'ATA TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2024

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

Lang'ata Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
MOE	Ministry of Education
OAG	Office of the Auditor General
LTVC	Lang'ata Technical and Vocational College

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

(a) Background information

Langata Technical and Vocational College is a public tertiary institution under the Ministry of Education, State Department of Technical and Vocational Training. The Institute receives full support from the Government through grants, training equipment and personnel.

It started as a technical school in 2022. It offers courses at three levels i.e. Artisan; Certificate and Diploma both in Technical and Business-related disciplines.

The Institute continues to play a significant role in provision of skilled manpower to various sectors of the economy.

(b) Principal Activities

i) Vision

To be a leading college in Technology and Entrepreneurship through positively impacting on the Society through Excellent Training and Production.

ii) Mission

To Provide Relevant Quality Technical and Entrepreneurship Training, Research and Innovation; in Collaboration with Stakeholders for Production of Competitive Personnel and relevant products for both local and global Market

(c) Key Management

The entity's day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Mr. James Oirere (Exited- Feb 2024)
2.	Principal	Mr. Simon Nyaga
3	Deputy Principal-Administration & Finance	Ms. Jane W. Wanyinyi (Exited- Feb 2024)
4	Deputy Principal-Administration & Finance	Ms. Christine Mwaniki
5	Deputy principal Academics	Ms. Mary Atieno
6	Registrar	Mr. Walter Singori

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

1. Finance, Infrastructure and Human Resource Committee

The Committee shall exercise all the powers of Board of Governors in financial matters except in relation to the items which are reserved to BOG in these Standing Orders, on which the Committee shall advise BOG. Terms of Reference The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Institute s strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the Institute.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to BOG on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.

2. Education, Research and Innovation Committee

- (i) Provide academic leadership to LTVC, through promotion of excellence in teaching and learning, and ensuring that LTVC embraces a philosophy of quality enhancement and innovation.
- (ii) Facilitate academic freedom and freedom of speech and ensure academic integrity within LTVC.
- (iii) Ensure a culture of scholarship is developed, nurtured and embedded within LTVC.
- (iv) Formulate, coordinate and review academic policy, procedures and guidelines within LTVC.
- (v) Monitor and regularly report on compliance with academic policy within LTVC.

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- (vi) Advise the Board of Governors on the academic aspects of LTVC's strategic, operational and risk management plans and foster disclosure on issues related to higher education and LTVC's Vision and Goals.
- (vii) Oversee the quality assurance of the academic activities of LTVC, within the LTVC Risk Management Framework.
- (viii) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the LTVC Risk Management Framework.
- (ix) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- (x) Oversee the regular program of internal unit, course and school reviews within LTVC.
- (xi) Ensure that LTVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in LTVC's plans.
- (xii) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
- (xiii) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- (xiv) Consider and recommend on any matter referred to the Academic Board by the Board of Governors.
- (xv) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Governors, including recommending new courses for development.
- (xvi) Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

3. Audit Committee activities

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.

- i) Establishing a direct reporting relationship with the external auditors.

4. Senior Management Activities

The main purpose of the Senior Management Team is to:

1. Ensure that LTVC's BOG is able to take strategic decisions relating to LTVC's activities.
2. Provide leadership in communicating LTVC's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
3. Be accountable for the development and implementation of LTVC's strategic, corporate and business plans in line with the mission and values;
4. Take a strategic overview of performance in all areas of LTVC's activities.

Specifically, the Senior Management Team:

1. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
2. Agrees LTVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Governing Board as appropriate.
3. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
4. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of LTVC, making recommendations as appropriate to the Governing Board and/or its relevant Committees;
5. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
6. Oversees and monitors LTVC's joint work with the other stakeholders
7. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
8. Leads all senior managers in motivating and developing LTVC staff to deliver the highest standards of performance and customer service.

5. Government oversight activities

The Government of Kenya's oversight role include provision of Grants for both Capitation and Development as well as provision of the regulatory framework. The audit of the Instructional activities is undertaken by the Auditor General.

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Board Committees

<i>Name of the Committee</i>	<i>Members</i>
<i>Finance, Infrastructure and Human Resource Committee</i>	<i>Chairman</i> <i>Geoffrey Orina</i> <i>Member</i> <i>Herman kinyua njagi</i> <i>Member</i> <i>Mary Ann</i>
<i>Education and Research Committee</i>	<i>Chairman</i> <i>Dr. Leah Chebet</i> <i>Member</i> <i>Simintei Kooke</i>
<i>Audit & Risk Committee</i>	<i>Chairman</i> <i>Moses Gakuru</i> <i>Member</i> <i>Geoffrey Orina</i> <i>Member</i>

(f) Entity Headquarters

P.O. Box 5665-0506
 Keri Road next to Hima Gardens and Strathmore University
 Nairobi, KENYA

(g) Entity Contacts

Cell :(254) 799933022
 E-mail: langatatvc2022@gmail.com
 Website: www.langatatvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
 Haille Selassie Avenue
 P. O. Box 48400 G.P.O 00100
 Nairobi, KENYA

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Key Entity Information and Management (Continued)





(i) Independent Auditors

Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya





(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3.The Board of Governors




Governor	Title	Photograph	Date of birth, key qualifications and work experience	
			Date of Birth	Qualification
1. Dr. Joyce Amuhaya	Chairperson		Date of Birth	1967
			Qualification	PHD
			Experience	27 years
2. Dr. Leah Chebet	Member		Date of Birth	25-Jul-1962
			Qualification	Medical Doctor, Masters in public Health
			Experience	32 years
3. Herman kinyuanjagi	Member		Date of Birth	10-Oct-1962
			Qualification	Bachelor of Architecture
			Experience	36 years
4. Simintei Kooke	Member		Date of Birth	21-Jul-1958
			Qualification	Bachelor of science
			Experience	40 years

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5. Moses Gakuru	Member		Date of Birth	01-Jan-1956
			Qualification	Masters in Business Administration
			Experience	35 years
6. GEOFFREY ORINA	Member		Date of Birth	17 th April-1976
			Qualification	Advocate of the High Court of Kenya
			Experience	20 Years
7. Maryan A. Hassan	Member		Date of Birth	12.12.1977
			Qualification	Master of Education
			Experience	23 years
8.Simon Nyaga	Secretary		Date of Birth	1-Jan-1973
			Qualification	Mathematics computer science
			Experience	30 years

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4. Key Management Team

Manager	Title	Passport Photo	Qualification & Responsibility	
SIMON NYAGA	Principal		Date of Birth	1-Jan-1973
			Qualification	Mathematics computer science
			Experience	30 Years
CHRISTINE MWANIKI	Deputy Principal- Administration & Finance		Date of Birth	13-Dec-1968
			Qualification	Higher National Diploma
			Experience	28 Years
MARY ATIENO	Deputy Principal Academic		Date of Birth	10 th -july-1973
			Qualification	B.ED Home Economics
			Experience	24 Years

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5. Chairman's Statement

It is my pleasure to present the institute's annual report and financial statement for the year ended 30th June 2024.

The Institute's Board of Governors note with appreciation the continued support of the government and other stakeholders in the daily running of the college.

As a Board we extend our appreciation to the Ministry of Education for providing financial support and competent staff to this institution. Once again, I cannot underestimate the role of the Ministry of Education for embracing Competency Based Education and Training (CBET) which has equipped the youths, through TVET Education with technical and entrepreneurial skills that are essential for fast tracking this great Nation towards achieving Kenya Vision 2030.

Langata Technical and Vocational College has been on the forefront in fulfilling its mandate to teach and train at TVET level. This has seen the Board of Governors come up with strategies to expand the existing Infrastructure

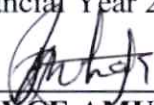
The Institute is a public Institution which relies on Government funds, and fees paid by students. It is not a profit making entity.

We are pleased of the achievements so far realised despite the financial challenges faced.

Challenges faced by the institute include:

- Inadequate funding by the ministry of education- on capitation/operation and development grant
- Delayed funding
- Poor fees payments
- Untimely marketing due to late funding
- Due to limited capacity, it is not possible to increase the number of students as expected.

Let me lastly thank the Government of Kenya, parents, guardians, suppliers and service providers for their trust, support and continued partnership and cooperation during the Financial Year 2023/2024



DR. JOYCE AMUHAYA
CHAIRPERSON BOARD OF GOVERNORS

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6. Report of the Principal

Section 83 of the Public Finance Management Act, 2012 requires an Accounting Officer for a National Government owned Entity to prepare annual report for the financial year in respect of the entity.

In preparing annual report for a National Government Entity, the Accounting Officer shall ensure that the report:


- (a) Contains information on the financial and non-financial performance of the entity; and
- (b) Is in a form that complies with the standards prescribed and published by the Public Sector Accounting Standards Board of Kenya from time to time.

In addition, not later than ninety days after the end of each financial year, the Accounting Officer shall submit the annual report to the Cabinet Secretary responsible for the entity and the National Treasury. The Cabinet Secretary responsible for an entity shall forward a copy of the report to the Cabinet Secretary and Controller of Budget.

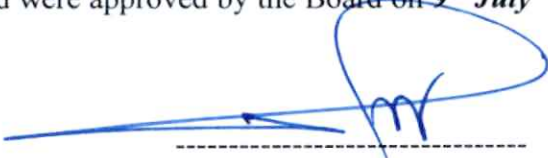
In the case of an entity that is a state corporation, the Accounting Officer for the corporation shall submit the annual report to the Cabinet Secretary responsible for the corporation who shall, upon approving it, forward a copy to the Cabinet Secretary.

Approval of the annual financial statements

The *Langata technical vocational college's* annual financial statements have been prepared in accordance with Section 83 of the PFM Act and were approved by the Board on ~~9th~~ **9th July 2024** and signed on its behalf by:



Simon Nyaga
Principal/Sec. BOG



CPA. Otieno K. Oduor
Accountant
Membership No.11012

Lang'ata Technical and Vocational College

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7. Statement of Performance against Predetermined Objectives

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting officer to include in the financial statement, a statement of the national government College's performance against predetermined objectives.

Langata TVC is a new institution and will continuously update its systems and processes

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8. Corporate Governance Statement

- a) Good corporate governance is the key to integrity and corporations and central to the institute stability
- b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BOG follows principles of transparency and accountability in its stewarding institute's affairs'
- d) The role of the BOG is to ensure conformity by focusing and providing the institutes strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the institutes which are revised and improved from time to time

Institutes BOG

- a) The BOG constitutes of chairman BOG and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least three times a year and or any other time when need arises
- b) BOG Is responsible for setting the direction of the institute through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- c) The BOG is actively involved and bring strong independent judgement on its deliberations and discussions
- d) The BOG members have diverse skill set, wide range of knowledge and experience of the institute in objectives and decision making.
- e) The BOG meets regularly and retains full and effective control over the institutes in all strategic financial operation and compliance areas

Related Party Disclosure

Related parties for the purposes of this report include:

- a) The Government
- b) The Board of Governors
- c) The Management

Number of Board Meetings during the year and their attendance

During the year under review, Board meetings were held as follows

Date	Type of Meeting	Number of Members Present
10/7/2023	Full Board	7
11/10/2023	Full Board	8
11/1/2024	Full Board	6
12/4/2024	Full Board	8

9. Management Discussion and Analysis

SECTION A: The entity's operational and financial performance

Lang'ata Technical and Vocational College is a government college under the Technical Vocational Education Training Authority (TVETA). Nairobi County- Lang'ata Constituency. Madaraka West estate. The college borders Madaraka Primary school and is accessed via Hima Gardens Estate Access Road off Keri Road- next to Strathmore University.

We believe that skills empower knowledge. Our college exists to find sustainable skilled solutions to both simple and complex scenarios. We do this by empowering and equipping trainees with the skills and technical know-how that can enable them to have sustainable and decent livelihoods as they impact the society locally and globally.

SECTION B: Entity's compliance with statutory requirements

The Institute complies with remittance of statutory obligations

SECTION C: Key projects and investment decisions the entity is planning/implementing

Langata Tvc additional construction works are ongoing to address the growing student population

SECTION D: Major risks facing the entity

The institute seeks to increase enrolment to be self-sustainable. The Institute is dependent on Government funds to meet its operational obligations

SECTION E: Material arrears in statutory/financial obligations

There are no material arrears in statutory or Financial Obligations

SECTION F: The entity's financial probity and serious governance issues

During the period under review, there were no governance issue reported

SECTION G: Environmental Sustainability and Corporate Social Responsibility

The Institute sensitizes the youth on the importance of acquiring technical skills thus contributing to the growth of community.

10. Environmental and Sustainability Reporting Statement

The Langata TVC, being a new institution with limited funding, has not embarked on major activities of corporate social responsibility. Meanwhile, the college has been participating on public activities organized by other public institutions which do not require financial commitment.

Sustainability strategy and profile

a. Organisational Sustainability

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the institute

b. Financial sustainability

The institute has diversified the sources of revenue which include; school fees, rentals and production unit program.

c. Environmental sustainability

The institute embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

d. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

Environmental performance

a. Greening TVET

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research
- ✓ greening the culture
- ✓ greening the community

b. Solid Waste management

- ✓ disposal of wastes
- ✓ policies on re-cycling

c. Emission control

- ✓ control on gases emitted to the environment

d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the institute.

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Employee welfare

The Institute with the support of the Board Members aims to develop the following policies to guide its operations: -

- Scheme of service for BOG Staff.
- Career progression guidelines for BOG Staff.
- Motivation Policy for both Staff and Students.
- Production Unit Policy.
- ICT policy
- Gender Mainstreaming and Youth Empowerment Policy.

Market place practices

Responsible Competition Practice

- (i) Anti -corruption
 - a. Student fees: The institute charges the students fees as per the guidelines from the Ministry of Education. The fees charged is Ksh. 67,189 as capped by the Ministry of Education.
 - b. The admission process is transparent and the institute has introduced online admission to ensure effectiveness and transparency. This helps to ensure that there is integrity in the admission process.
- (ii) Political involvement
 - a. The institute liaises with the area leadership for community service where cleaning the area around the institute is done Participation in trade fairs/robotics: The institute participates in trade fairs where the students show case their talents and this enhances responsible competition within the students.
 - b. During the graduation ceremonies, the institute invites the local leadership to interact with the grandaunts and the LTVC community.
- (iii) Fair competition
 - a. The institute acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD) and CDACC to ensure that what is offered at LTVC is similar to what is offered in other institutions.
 - b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade c- for Diploma students, D+ for Certificate students and KCSE for artisan. This allows the institute to have a fair competition with the universities who require students to have a mean grade of c to access university education.
 - c. The institute participates in trade fairs which are organized by KATTI for all TVET Institutions. The students are encouraged to compete with other students from other institutions. This encourages the students to solve diverse issues in the industry.
- (iv) Respect for competitors

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- a. Mutual beneficial relationships: - The institute undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.
- b. The students are placed by KUCCPS and the institute ensures that when student seek for transfers from other institutions to LTVC, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding.

Responsible Marketing and Advertisement

- (i) Efforts to maintain ethical marketing practices
 - a. The institute openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process.
 - c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the institute.
 - d. The institute ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
 - e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/guardians and students to prepare for the admission.

Product Stewardship

- (I) Efforts to safeguard consumer rights and interests
 - a. The institute has a complaints procedure and complaints registers at various offices.
 - b. A complaints line has been established in the institute
 - c. There is proactive disclosure of information by ensuring that information is given through the institutes website, brochures, print and electronic advertisement
 - d. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters.

Community Engagements

The Institute has continuously engaged the community in matters of corporate social responsibility (CSR).

11. Report of the Board of Governors

The Board members submit their report which show the state of the Institute's affairs.

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of the entity for the year ended 30 June, 2024 are set out on page 1-5


BOARD OF GOVERNORS

The members of the Board members who served during the year are shown on page ix.

Auditors

The Auditor General is responsible for the statutory audit of Langata Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015.

By Order of the Board


.....
Simon Nyaga
Principal/Secretary BOG

Date: 9/05/2025

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12. Statement of Board of Governors responsibilities

Section 83 of the Public Finance Management Act, 2012 and *section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013* require the Board of Governors to prepare financial statements in respect of the institute, which give a true and fair view of the state of affairs of the *institute* at the end of the financial period and the operating results of the *institute* for that period. The Board members are also required to ensure that the *institute* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *institute*. The Board members are also responsible for safeguarding the assets of the *institute*.

The Board members are responsible for the preparation and presentation of the *institute's* financial statements, which give a true and fair view of the state of affairs of the *institute* for and as at the end of the financial period ended on **30th June 2024**. This responsibility includes:


- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the *institute*;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.


The Board members accept responsibility for the *institute's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the TVET Act*. The Board members are of the opinion that the *institute's* financial statements give a true and fair view of the state of *institute's* transactions during the period ended **30th June 2024**, and of the *institute's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *institute*, which have been relied upon in the preparation of the *institute's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the *institute* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Institute's financial statements were approved by the Board on **9th July 2024** and signed on its behalf by:

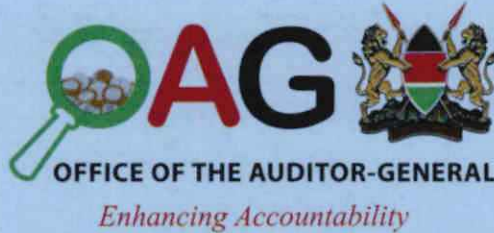

.....
Dr. Joyce Amuhaya
Chairperson of the Board



Simon Nyaga
Accounting officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON LANG'ATA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Lang'ata Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance and statement

of cash flows and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Lang'ata Technical and Vocational College as at 30 June, 2024 and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

1.1 Statement of Financial Position

The statement of financial position reflects balances of Kshs.5,915,076 and Kshs.862,744,657 in respect to accumulated surplus and capital fund respectively. However, the statement of changes in net assets reflects balances of Kshs.5,709,533 and Kshs.863,295,000 on the same items resulting to unexplained and unreconciled variances of Kshs.205,543 and Kshs.550,343 respectively.

1.2 Statement of Cash Flows

The statement of cash flows reflects Nil balance for purchase of property, plant and equipment while Note 17 to the financial statements reflects additions during the year of Kshs.4,923,387 and Kshs.1,500,000 in respect to buildings and computers totalling Kshs.6,423,387. The inconsistencies were not explained or supported.

1.2 Unconfirmed Comparative Balances

The financial statements reflects comparative balances for the financial year 2022/2023. However, the audited financial statements for 2022/2023 were not provided for audit review. Further, analysis and supporting records for the balances were not provided.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Property, Plant and Equipment

2.1 Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.861,162,390 as disclosed in Note 17 to the financial statements. Included in the balance are additions in the year of Kshs.4,923,387 and Kshs.1,500,000 in respect to

buildings and computers which were not supported. Similarly, the basis of the comparative balance of Kshs.856,513,165 was not provided. Further, the valuation and ownership documents for the College land were not provided for audit review. In addition, work in progress valued at Kshs.6,000,000 under buildings was incorrectly subjected to depreciation.

2.2 Use of Unapproved Depreciation Method

The statement of financial performance reflects depreciation and amortization expense totalling Kshs.1,774,161 as disclosed in Note 12 to the financial statements. However, Management used the reducing balance method to depreciate the College's fixed assets instead of straight-line method as prescribed in the financial manual.

2.3 Failure to Maintain a Fixed Asset Register

The statement of financial position reflects property, plant, and equipment balance of Kshs.861,162,390 as disclosed in Note 17 to the financial statements. However, a fixed asset register detailing the name of the assets, asset category and asset value was not provided for audit review. Further, physical verification carried out in April, 2025 revealed that the assets were not tagged for ease of identification and tracing.

In the circumstances, the accuracy, valuation and ownership of the property, plant and equipment balance of Kshs.861,162,390 could not be confirmed.

3.Unsupported Balances

3.1 Repairs and Maintenance

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects repairs and maintenance expenditure totalling Kshs.324,826. Included in this amount is Kshs.269,357 in respect to various repairs which was not supported with payment vouchers.

3.2 Board Expenses

The statement of financial performance reflects an amount of Kshs.329,492 in respect to Board expenses as disclosed in Note 11 to the financial statements. However, the Gazette notices appointing the Board members were not provided for audit review. Further, it was noted that one of the Board members received two (2) payments totalling Kshs.13,000 as sitting allowances. However, no documents were provided to support the payments.

In the circumstances, the accuracy and completeness of the repairs and maintenance and Board expenses amounts of Kshs.269,357 and Kshs.13,000 respectively could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Lang'ata Technical and Vocational College Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.8,718,900 and Kshs.10,699,880 respectively resulting to an overfunding of Kshs.1,980,980 or 23% of the budget. Similarly, the College spent a total of Kshs.3,010,642 against actual receipts of Kshs.10,699,880 resulting to an under expenditure of Kshs.7,689,238 or 72% of actual receipts.

The under expenditure affected the planned activities and may have impacted negatively on service delivery to the College.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Board of Governors is responsible for the other information set out on page iv to xxii which comprise of Key Entity Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Lang'ata Technical and Vocational College financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Late Submission of Financial Statements for Audit

During the year under review, Management submitted the financial statements to the Auditor-General for audit on 19 March, 2025, instead of the statutory date of 30 September, 2024. This was contrary to Section 81(4)(a) of the Public Finance Management Act, 2012 which states that not later than three months after the end of each financial year, the accounting officer for the entity shall submit the entity's financial statements to the Auditor-General.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit Function and Audit Committee

During the year under review, the College had not constituted an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance

Management (National Government) Regulations, 2015 which requires the internal audit unit of a National Government entity to assess effectiveness of the College through an internal performance appraisal commenting on its effectiveness in the annual report to the National Treasury.

In the circumstances, the College did not benefit from the oversight role and advice from the audit committee and the internal audit function.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Governors are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


19 May, 2025

Lang'ata Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024


14. Statement of Financial Performance for the Year Ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	2,000,000	1,000,000
		2,000,000	1,000,000
Revenue from Exchange transactions			
Rendering of services- fees from students	7	8,699,880	877,068
Miscellaneous income	8	-	8,000
Revenue from Exchange transactions		8,699,880	885,068
Total Revenue		10,699,880	1,885,068
Expenses			
Use of goods and services	9	2,356,324	780,365
Employee costs	10	-	-
Board /Council Expenses	11	329,492	103,300
Depreciation and amortization expense	12	1,774,162	1,206,946
Repairs and maintenance	13	324,826	-
Total Expenses		4,784,804	2,090,611
Net surplus/(deficit) for the year		5,915,076	(205,543)

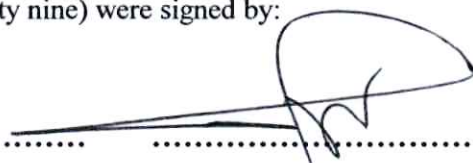
The Financial Statements set out on pages 1(one) to 29(twenty nine) were signed by:


.....
Dr. Joyce Amuhaya
Chairman, Board of
Governors

Date... 9/05/2025


.....
Mr. Simon Nyaga
Principal

Date... 9/05/2025


.....
CPA. Otieno K. Oduor
Accountant

ICPAK No. 11012
Date... 9/05/2025

Lang'ata Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Statement of Financial Position as at 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	1,617,254	110,555
Current portion of receivables from exchange transactions	15	6,182,539	240,848
Inventories	16	117,550	42,350
Total Current Assets		7,917,343	393,753
Non-Current Assets			
Property, plant, and equipment	17	861,162,390	856,513,165
Total Non-Current Assets		861,162,390	856,513,165
Total Assets		869,079,733	856,906,918
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	420,000	-
Total Current Liabilities		420,000	-
Non-Current Liabilities		-	-
Total Liabilities		420,000	-
Net Assets		868,659,733	856,666,070
Represented By:			
Accumulated Surplus		5,915,076	(205,543)
Capital Fund		862,744,657	856,871,613
Net Assets		868,659,733	856,666,070

Lang'ata Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

The Financial Statements set out on pages 1(one) to 29(twenty nine) were signed by:



.....
Dr. Joyce Amuhaya
Chairman, Board of
Governors

Date... 9/05/2025



.....
Mr. Simon Nyaga
Principal

Date... 9/05/2025



.....
CPA. Otieno K. Oduor
Accountant

ICPAK No. 11012
Date... 9/05/2025

16. Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022	-	-	-	-
Surplus/(deficit) for the year	-	(205,543)	-	(205,543)
Capital grants received during the year	-	-	856,871,613	856,871,613
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	(205,543)	856,871,613	856,666,070
At July 1, 2023	-	(205,543)	856,871,613	856,666,070
Surplus/(deficit) for the year	-	5,915,076	-	5,915,076
Capital grants received during the year	-	-	6,423,387	6,423,387
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	5,709,533	863,295,000	869,004,533

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

Lang'ata Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

17. Statement of Cash Flows For The Year Ended 30 June 2024

Description		2023-2024	2022-2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	5	2,000,000	1,000,000
Rendering of services- fees from students	6	2,517,341	136,220
Miscellaneous income	7	-	8,000
Total Receipts		4,517,341	1,144,220
Payments			
Use of goods and services	8	2,356,324	780,365
Employee costs	9	-	-
Board /Council Expenses	10	329,492	103,300
Repairs and maintenance	12	324,826	-
Total Payments		3,010,642	883,665
Net Cash Flows from operating activities		1,506,699	260,555
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-	(150,000)
Proceeds from sale of property, plant and equipment		-	
Net cash flows used in investing activities		-	(150,000)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		1,506,699	110,555
Cash and Cash equivalents at 1 JULY	13(a)	110,555	-
Cash and Cash equivalents at 30 JUNE	13(a)	1,617,254	110,555

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	2,000,000	-	2,000,000	2,000,000	-	0%
Rendering of services- fees from students	6,718,900	-	6,718,900	8,699,880	1,980,980	29%
Total Income	8,718,900	-	8,718,900	10,699,880	1,980,980	23%
		-				
Expenses		-				
Use of goods and services	6,910,000	-	6,910,000	2,356,324	(4,553,676)	66%
Employee costs	520,000	-	520,000	0	(520,000)	100%
Board /Council Expenses	700,000	-	700,000	329,492	(370,508)	53%
Repairs and maintenance	588,900	-	588,900	324,826	(264,074)	45%
Total Expenditure	8,718,900	-	8,718,900	3,010,642	(5,708,258)	65%
		-				
Surplus For the Period	0	-	0	7,689,238	(3,727,278)	
Capital Expenditure	0	-	0	-	-	

Lang'ata Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

(Budget notes)

Transfers from other National Government entities	Grants were received as per budget
Rendering of services- fees from students	The number of trainees budgeted was 100 compared to an actual number of 120 trainees as at year end.
Use of goods and services	There were some activities that the institution did not commence due to lack of funds.
Employee costs	There were no employees paid directly by the board of LVTC.
Board /Council Expenses	There were fewer board meetings in the year under review
Repairs and maintenance	Repairs was only done to critical areas due to lack of funds

19. Notes to the Financial Statements

1. General Information

Langata TVC is established by and derives its authority and accountability from TVETA Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of training to trainees.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, *(include any other applicable legislation)*, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Lang'ata Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

Lang'ata Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

Lang'ata TVC did not early adopt any new or amended standards in year ended June 30th 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on *5th of April 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page six under section five of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease

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payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

i) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The *Entity* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The *Entity* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

k) Changes in accounting policies and estimates

The *Entity* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short-term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

m) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

n) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the *Entity*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

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6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	-	500,000
Operational Grant	2,000,000	500,000
Total unconditional Grants	2,000,000	1,000,000

7. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	8,062,680	806,268
Registration Fees	637,200	70,800
Total Revenue from The Rendering of Services	8,699,880	877,068

The entity recognizes revenue from rendering of services by reference to the contract entered to with the trainee upon admission. The institute had 12 trainees in the financial year 2022-2023 and 120 trainees in the current financial year.

8. Miscellaneous Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Income from sale of tender	-	8,000
Total other income	-	8,000

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9. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching and learning materials	170,194	-
Water	22,279	6,000
Security	180,300	-
Professional and consultancy services	-	12,000
Subscriptions-KUCCPS	-	70,000
Advertising/Marketing	81,841	46,950
Travelling and accommodation	121,600	20,300
Licenses and permits	24,000	-
Printing and stationery	133,215	185,650
Telephone expenses	42,620	4,000
Training expenses	157,380	275,500
Performance Contracting	-	15,000
Admin Expenses	1,412,820	141,577
Bank charges	10,075	3,388
Total good and services	2,356,324	780,365

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10. Employee Costs

There were no employees employed by the B.O.G during this period; FY 2023/2024.

11. Board/Council Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman's Honoraria	-	30,000
Other Allowances	18,000	3,300
Other Board/Council Expenses	311,492	70,000
Total	329,492	103,300

12. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	1,774,162	1,206,946
Intangible assets	-	-
Total depreciation and amortization	1,774,162	1,206,946

13. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	324,826	-
Total Repairs and Maintenance	324,826	-

14. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	1,617,254	110,555
Total Cash and Cash Equivalents	1,617,254	110,555

14 (a). Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1303053403	1,617,254	110,555
Grand Total		1,617,254	110,555

15. Receivables from Exchange transactions

15 (a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	6,182,539	240,848
Total Current Receivables	6,182,539	240,848

15 (b) Ageing Analysis of Receivables from Exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current F	% of total	Comparative FY	% of total
Less than 1 year	6,182,539	100%	240,848	100%
Total	6,182,539	%	240,848	%

16. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	117,550	42,350
Total Inventories at lower of Cost and Net Realizable Value	117,550	42,350

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17. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Machinery, Plant and Equipment	Total
		2%	10%	30%	10%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	800,000,000	56,828,963	0	0	-	856,828,963
Additions	-	-	703,665	0	187,483	891,148
Disposals	-	-	0	0	-	-
Transfers/Adjustments	-	-	0	0	-	-
At 30th June 2023	800,000,000	56,828,963	703,665	-	187,483	857,720,111
Additions	-	4,923,387	-	1,500,000	-	6,423,387
Disposals	-	-	-	0	-	-
Transfer/Adjustments	-	-	0	0	-	-
At 30th June 2024	800,000,000	61,752,350	703,665	1,500,000	187,483	864,143,498
Depreciation And Impairment						
At 1 Jun 2022	-	-	-	-	-	-
Depreciation	-	1,136,579	70,367	-	-	1,206,946
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-

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At 30 Jun 2023		1,136,579	70,367			
	-			-	-	1,206,946
Depreciation		1,235,047	70,367	450,000		
	-				18,748	1,774,162
Disposals		-	-	-	-	-
	-					
Impairment		-	-	-	-	-
	-					
Transfer/Adjustment		-	-	-	-	-
	-					
At 30th Jun 2024		2,371,626	140,733	450,000		
	-				18,748	2,981,108
Net Book Values						
At 30th Jun 2023	800,000,000	55,692,384	633,299			
				-	187,483	856,513,165
At 30th Jun 2024	800,000,000	59,380,724	562,932	1,050,000		
					168,735	861,162,390

The building is still under construction therefore an amount of Kes 6 Million will fall under work in progress.

Depreciation is on a straight line basis over useful life of the asset.

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Notes to the Financial Statements (Continued)

17 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	800,000,000	-	800,000,000
Buildings	61,752,350	2,371,626	59,380,724
Plant And Machinery	187,483	18,748	168,735
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	1,500,000	450,000	1,050,000
Office Equipment, Furniture, And Fittings	703,665	140,733	562,932
Total	864,143,498	2,981,108	861,162,390

18. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Trade payables	420,000		-	
Total Trade and Other Payables	420,000		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	420,000	100 %	-	-
Total (to tie to totals above)	420,000	%	-	-

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19. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	240,848	240,848	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	110,555	110,555	-	-
Total	351,403	351,403	-	-
At 30 June 2024				
Receivables from exchange transactions	6,182,539	6,423,387	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	1,617,254	1,617,254	-	-
Total	7,799,793	8,040,641	-	-

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Financial risk management (continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from trainees.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade Payables	420,000	-	-	420,000
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	420,000	-	-	420,000

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(iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	5,915,076	(205,543)
Capital Reserve	862,744,657	856,871,613
Total Funds	868,659,733	856,666,070
Total Borrowings	-	-
Less: Cash and Bank Balances	(1,617,254)	(110,555)
Net Debt/(Excess Cash and Cash Equivalents)	867,042,480	856,555,515
Gearing		

20. Events After The Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

21. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

22. Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

.....

Name
Accounting Officer
(Enter title of Head of entity)
Date

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Appendix II: Projects Implemented by *(The Entity)*

Projects

Projects implemented by the State Corporation/ SAGA Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....

Name of beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments